

State of Idaho Employees – Retain – Recruit –Reward

Robert L. Geddes, Chairman – Idaho State Tax Commission

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Chairman Bell and members of the committee, I am grateful for the opportunity to visit with you this morning. I am hopeful that my perspectives are also representative of what other agencies in state government are facing.

I have frequently been asked to share my most significant observations regarding my transition to full-time state government service, compared to my 30 years in private industry and 16 years in the State Senate.

So before any committee members are tempted to ask, let me give you my answer: I am pleasantly surprised by the qualifications, professionalism, and commitment of the staff and managers at the State Tax Commission. My association with other commissioners and other agency directors reflects that same opinion and high regard for their employees.

As a private citizen and as a State Senator, I can honestly say that my perspective has changed. In the past, I truly underappreciated the work and dedication that our state employees provide to the citizens of our great state.

My biggest challenges and concerns have not proven to be my inadequate knowledge and understanding of taxes and tax policy. My most significant concerns and those that other agency administrators have shared with me are the retention, the recruitment and how best to reward and motivate our employees.

Many of our finest employees are reaching the point where they can consider retirement. Many are exercising that option, because they have little or no incentive to stay. Most have realized that without significant future compensation enhancement opportunities, they are money ahead to retire from state service and seek other employment.

Often times our retirees—and even those who pursue other employment—find those opportunities in the very industries and businesses where their state service and expertise has been focused.

I have determined that PERSI is for old people. I am quickly becoming an old person. Many of my new recruits, however, fail to understand the value of these future benefits or even the value of retirement planning. I understand that, because I have been there too...it is difficult to plan for the future when one's biggest worry is immediate survival.

I am astounded by the number of our state employees that are forced to have a second and even a third job to make ends meet. The purchasing power of current salaries and the value of existing benefits have been eroded away by higher costs of living. The status quo is not stimulating or motivating!

While our state is facing record high levels of unemployment, it is still difficult to find, recruit and retain qualified candidates and employees that can immediately fill critical positions.

Often times, the positions we offer are looked at as, "short term and a way to provide some income, while waiting for the economy to improve, thus making better employment options more available." This attitude is creating difficulty to retain our best employee prospects, especially those needed for realistic succession planning for critical supervision and management roles.

We have asked our employees to do more with less for a long time now and they have stepped up. I have always known that it is easier to keep up, than it is to catch up. I am encouraged to anticipate that Fiscal Year 2013 might be a year that some progress may be reached in catching up!

Governor Otter has placed employee compensation high on his priority list. I hope that you have also agreed that this is a critical component in the budget that you will set.

Madam Chairman and Members of the Committee - Thank you.

I will be happy to stand for questions.

Attachment: DEQ Turnover and Exit Interview Information 2008 to Present provided by Director Toni Hardesty

DEQ Turnover and Exit Interview Information 2008 to Present

DEQ HR has completed 89 exit interviews on classified employees since 2008

- 51% left DEQ employment specifically for other employment opportunities
- 31% left DEQ employment for retirement
- 18% left DEQ employment for personal reasons – spouse moving, return to school etc...

The 51% who left DEQ employment specifically for other employment opportunities:

- 98% of these individuals ranked DEQ as a “Good to Excellent” place to work
- 93% of these individuals said they would consider reemployment with DEQ
- 82% of these individuals were in positions requiring advanced degrees or knowledge (i.e. Engineer, Scientist)
- 27% of these individuals left for jobs outside of Idaho
 - 54% average increase in salary for individuals who left the state

Of the 51% who left DEQ employment for other employment:

- 89% provided specific salary information for new employment
- 95% of these individuals received salary increases
- Average time worked for the state (CSS) 7 years
- Average DEQ salary \$49,207.05
- Average new salary \$66,990.45
- **Average new salary increase of over 36%**

Where did employees go and how much compensation did they receive?

NEW EMPLOYER	# Of Employees who left	# Of Employees who gave salary info	Ave DEQ Salary	Ave New Salary	Percent Increase	Additional Annual Increase	Additional \$/hour Increase
Private	21	19	\$49,406.49	\$74,398.32	50.5%	\$24,703.25	\$11.88
Federal Gov't	11	10	\$52,060.38	\$69,259.47	33%	\$17,179.93	\$8.26
City/County	5	5	\$47,935.64	\$54,883.96	14.5%	\$6,950.67	\$3.34
State Gov't (ID & Others)	8	6	\$44,879.43	\$49,839.20	11%	\$4,936.74	\$2.37